

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
for Authority to Increase Revenue Requirements
to Recover the Costs to Deploy an Advanced
Metering Infrastructure.

(U 39 E)

Application 05-06-028
(Filed June 16, 2005)

**ASSIGNED COMMISSIONER'S RULING ESTABLISHING SCOPE,
SCHEDULE, AND PROCEDURES FOR PROCEEDING**

Pursuant to Rules 6(a)(3) and 6.3 of the Commission's Rules of Practice and Procedure,¹ this ruling sets forth the procedural schedule, assigns the principal hearing officer, and addresses the scope of these proceedings following the prehearing conference (PHC) held July 14, 2005. This ruling is appealable only as to category of these proceedings under the procedures in Rule 6.4.

**1. Categorization, Need for Hearings, Ex Parte Rules
and Designation of Principal Hearing Officer**

Under Rule 6.1, on June 30, 2005, the Commission preliminarily categorized Application (A.) 05-03-016, the application of Pacific Gas and Electric Company (PG&E) as ratesetting as defined in Rule 5(c) and determined that the matter should be set for hearing. (Resolution ALJ 176-3155.) The parties did not

¹ All references to Rules are to the Commission's Rules of Practice and Procedure found in Title 20 of the California Code of Regulations.

oppose the Commission's preliminary categorization of this proceeding, and I affirm the preliminary categorizations of ratesetting and the need for hearing. The *ex parte* rules as set forth in Rule 7(c) and Pub. Util. Code § 1701.3(c)² apply.

In a ratesetting proceeding, Rule 5(k)(2) defines the presiding officer as the principal hearing officer designated as such by the assigned Commissioner prior to the first hearing in the proceeding. I have designated Administrative Law Judge (ALJ) Michelle Cooke as the principal hearing officer. The provisions of § 1701.3(a) apply.

2. Scoping Memo

On June 16, 2005, PG&E filed its application seeking authorization of its advanced metering infrastructure (AMI) deployment proposal and associated cost recovery mechanisms.³

For purposes of evaluating the deployment request, the Commission must decide the following questions:

Question 1. Should the Commission approve PG&E's AMI Project for construction and deployment as described and proposed by PG&E? This question addresses:

- whether the proposed systems meet the functionality criteria set forth in the Assigned Commissioner Ruling of May 18, 2005
- whether or not the correct technology has been selected
- whether the proposed system has appropriate functionality for ratepayers to invest funds in it

² All section references are to the Public Utilities Code unless otherwise indicated.

³ AMI consists of both metering and communications infrastructure.

- whether the project plan or timing is appropriate, including that PG&E has a serious plan for accomplishing the task of integrating the AMI investment into its operating systems to ensure that the expected benefits in the areas of customer service, billing, outage management, and operations and maintenance accrue
- whether or not the estimated costs and estimated benefits of this project have been correctly identified
- whether the project is cost-effective, including whether the proposed investment provides sufficient operational and other benefits to ratepayers to move forward with implementation
- whether the proposed project is the preferred way (e.g., most cost-effective) to accomplish the operational and demand response objectives PG&E has set forth for the project.

Question 2. Should the Commission allow PG&E to recover the actual costs of the project without further reasonableness review if the actual cost of the project is less than or equal to \$1.46 billion, and to recover additional reasonable amounts, if any, upon appropriate Commission review? This question encompasses what costs, if any, are appropriate to recover from ratepayers at this time and what, if any, review or restrictions or oversight of the costs should be imposed

Question 3. Should PG&E's proposed balancing account and other ratemaking mechanisms be approved?

Question 4. Should PG&E's proposed forecast of benefits be adopted for ratemaking purposes?

Question 5. Should PG&E's projected revenue requirements be used for the starting point for project rates?

Question 6. Should PG&E's proposed electric and gas rates be effective July 1, 2006, and the rates proposed annually thereafter, through 2009, be adopted? In particular, should the rates be adopted to recover the forecast revenue requirement and to implement a rate design to accomplish demand response objectives?

The scope of this proceeding encompasses any information reasonably necessary for the Commission to make findings on these questions.

3. Schedule

The following schedule will be adhered to as closely as possible for the remainder of the proceeding.

Event	Date
Testimony by Non-Utility Parties Served	December 7, 2005
Rebuttal Testimony Served	December 16, 2005
Telephonic Scheduling Conference	January 3, 2006
Evidentiary Hearings	January 5-19, 2006
Opening Brief/Request for Final Oral Argument	February 8, 2006
Reply Brief (Projected Submission Date)	February 17, 2006
Proposed Decision	April 2006
Commission Decision	May 2006

Section 1701.5 requires the Commission to resolve the issues raised in the scoping memo within 18 months from the date of the scoping memo is issued. The schedule we have adopted should allow us to meet that goal.

As stated in the schedule above, and pursuant to Rule 8(d), parties requesting final oral argument before the Commission should include that request with their opening brief.

4. Filing and Service of Documents

All formally filed documents must be filed in hard copy with the Commission's Docket Office. In order to ensure timely delivery of documents and conserve resources, we will follow the electronic service protocols adopted by the Commission in Rule 2.3.1 of the Commission's Rules of Practice and Procedure. This Rule requires service of documents to be performed electronically, in a searchable format, unless the appearance or state service list member did not provide an email address. If no email address was provided, service should be made by United States mail. Parties should provide concurrent e-mail service to ALL persons on the service list, including those listed under "Information Only." Any document that is filed MUST also be served electronically.

E-mail communication about this case should include, at a minimum, the following information on the subject line of the e-mail: A.05-06-028- PG&E AMI Deployment. In addition, the party sending the e-mail should briefly describe the attached communication, for example, Brief.

5. Intervenor Compensation

The PHC in this matter was held July 16, 2005. Pursuant to § 1804(a)(1), a customer who intends to seek an award of compensation should file and serve a notice of intent to claim compensation not later than August 15, 2005. A separate ruling will address eligibility to claim compensation.

Therefore, **IT IS RULED** that:

1. The scope of this proceeding is set forth in Section 2 of this ruling.
2. The schedule of this proceeding is set forth in Section 3 in this ruling.
3. This ruling confirms the Commission's preliminary finding in Resolution ALJ 176-3155 that the category for this proceeding is ratesetting and that hearings are necessary. This ruling, only as to category, is appealable under the procedures in Rule 6.4.
4. The *ex parte* rules as set forth in Pub. Util. Code § 1701.3(c), Rule 7(c) of the Commission's Rules of Practice and Procedure, and the reporting requirements of Rule 7.1 apply to this application.
5. Administrative Law Judge Cooke is the principal hearing officer.
6. Parties should serve all filings as set forth in Section 4 of this ruling.
7. Any party requesting final oral argument before the Commission shall make such request on the date set for filing of concurrent opening briefs.

Dated July 27, 2005, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Assigned Commissioner's Ruling Establishing Scope, Schedule, and Procedures for Proceeding on all parties of record in this proceeding or their attorneys of record.

Dated July 27, 2005, at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.

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